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## EMPLOYMENT TRAINING PANEL

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### POLICY

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#### TITLE: MULTIPLE-EMPLOYER CONTRACTS

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INITIAL EFFECTIVE DATE: 8/24/00

**Effective Date:** This Policy applies to all Agreements and Amendments increasing the dollar amount of a contract which are submitted to the Contract Review Unit for approval on or after 8/24/00.

#### **POLICY STATEMENT:**

A multiple-employer contractor (MEC) may enter into an Agreement with the Employment Training Panel (ETP) to provide training to multiple participating employers. The contractor may be either an *on-site training provider* that provides all training at the individual participating employer's worksite, or a *center-based* MEC, which provides none or only some training at the participating employer's worksite. This Policy outlines requirements specific to both on-site training providers and center-based MECs, and to the specific trainee population being served (i.e., retrainee, new-hires) as follows:

#### **Requirements for all MECs**

- MECs must provide evidence of employer demand for the training by providing the following information: (1) description of a marketing plan for recruitment of employers/industries targeted for participation in the training agreement; (2) specific information on employer participation in the development of the training curricula; and (3) a description of the method to be used to ensure continuous participating employer feedback on the effectiveness of the training in meeting their training needs.
- When the requested cost per trainee is more than double the ETP average cost per trainee, (based on the most recent complete fiscal year contract data), all MECs - except those serving Welfare to Work trainees or "working poor" trainees in high unemployment areas- must provide evidence to justify the high cost per trainee in one of the following manners:
- Training will result in employment paying significantly more than the ETP minimum wage requirement after the completion of the retention period, and a significant wage increase for trainees after one year; or

### **Requirements for all MECs: (continued)**

- Training is in occupations that have demonstrated significant wage progressions within two years after completion of training; or
- Training will result in moving trainees into employment with demonstrated career paths; or
- Any other evidence deemed necessary to justify the cost per trainee as defined by the Panel.
- While training the Welfare to Work population and the “working poor” may involve more training hours and therefore have a higher cost per trainee, contractors must explain the overall training costs.

### **Additional requirements for first-time MECs**

- Funding for first-time MECs is limited to \$200,000, with additional training phases to be based on successful contract performance. To demonstrate successful performance, a contractor must demonstrate that funds previously encumbered have been or will be fully used.

### **Additional requirements for retraining MECs**

- Retraining MECs must certify that, prior to the commencement of training for a specific participating employer, it has explained the supplemental nature of ETP funding to the participating employer, and that the participating employer has provided a brief description of how the ETP funded training will supplement its on-going training.
- Retraining MECs must provide information in the ETP Agreement indicating a quantifiable commitment to the training from its participating employers, ensuring the employers have an investment in the training. This commitment will be determined by the contract as a whole and not by each individual participating employer.

### **Additional requirements for center-based retraining MECs**

- Center-based retraining MECs must provide training that is customized to the requirements of individual employers, or group of employers in a specific industry. To accomplish this, the MEC must conduct formal assessments of participating employers’ training needs; and, design the curricula based on the assessments.
- Assessment results may include: training limited to employers in a discrete industry; Structured-On-Site Training included as part of the contract, provided that it takes place at each participating employer’s facility; or, a substantial portion of training is job-specific for the participating employer’s unique needs. Formal assessments must be available for review by ETP monitors.

### **Additional requirements for new-hire MECs**

The Panel will fund only new-hire training that is industry specific or is for specialized occupations. Cross-industry, generic training available to the general public and funded by many other sources will not be funded by ETP.

**Reference:** Unemployment Insurance Code Sections 10201.5, 10205 (c) and 10210;  
and  
Title 22 California Codes of Regulations:  
Sections 4400 (z) and 4426, Training Agency Projects  
Section 4443, Monitoring  
Section 4405, Funding Limitations  
Section 4402, Application Process  
Section 4409.1, Employer Contributions